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INFO RUEHBO/AMEMBASSY BOGOTA PRIORITY 6388
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RUEHMU/AMEMBASSY MANAGUA PRIORITY 1171
RUEHME/AMEMBASSY MEXICO PRIORITY 3722
RUEHOT/AMEMBASSY OTTAWA PRIORITY 0684
RUEHQT/AMEMBASSY QUITO PRIORITY 2021
RUEHTC/AMEMBASSY THE HAGUE PRIORITY 0924
RUEHROV/AMEMBASSY VATICAN PRIORITY
RUCNDT/USMISSION USUN NEW YORK PRIORITY 0142
RUEHMI/USOFFICE FRC FT LAUDERDALE PRIORITY 3038
RUMIAAA/HQ USSOUTHCOM MIAMI FL PRIORITY
RHEHNSC/NSC WASHDC PRIORITY
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C O N F I D E N T I A L SECTION 01 OF 02 CARACAS 001173

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TAGS: [PGOV](#) [PHUM](#) [ELAB](#) [KDEM](#) [SCUL](#) [VE](#)
SUBJECT: VENEZUELAN LABOR DAY: TALE OF TWO MARCHES

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Classified By: Robert Downes, Political Counselor,
for Reason 1.4(b).

Summary

11. (C) The twin marches held separately by the pro-government and opposition labor centrals May 1 in commemoration of Labor Day illustrate well the dilapidated state of organized labor in Venezuela. The National Workers' Union (UNT) was dedicated to anti-imperialism and saw a sea of crisp red tee-shirts and professionally printed signs toted by tens of thousands of workers, many of whom were bussed in from the interior at state expense. The Venezuelan Workers Confederation (CTV) march, meanwhile, drew fewer than 5,000 workers toting a rambling array of posters; their leadership committee was turned away at the gates of the National Assembly when no one appeared to receive their manifesto. Meanwhile, President Hugo Chavez announced in an award ceremony for workers that he had raised the minimum wage by 10 percent (to US\$238/month) for all workers and had granted a special increase of 40 percent for teachers. The day's events were peaceful but telling: a deluxe but meaningless march by government sympathizers, a slender showing by the opposition that was all but ignored, and a president who, without consulting either group, rewarded workers personally with his own, select benefits. End Summary.

UNT March: The Best Money Can Buy

12. (U) The UNT's May 1 "Day of the Worker" march was held peacefully in downtown Caracas with the theme "Against Imperialism and the Free Trade Agreement." (We presume the Chavistas were rallying generally against all free trade agreements.) Tens of thousands of workers participated, most wearing new red tee-shirts and carrying an array of snappy (and probably expensive) signs bearing the UNT emblem.

Workers clumped around banners denoting the multiple factions of the UNT, which continues to be plagued by fissures among its leadership. It was clear from televised images of scores of buses that the Bolivarian Republic of Venezuela (BRV) had transported in thousands of workers, a standard practice for BRV-subsidized marches. UNT leaders generally praised the BRV for improving working conditions in Venezuela, though several noted the need for a full package of benefits for the working class. Several BRV ministers marched alongside UNT leaders. National Assembly President Nicolas Maduro, himself a former labor leader, delivered the keynote address, reminding workers that "there is no future for the working class, there is no Mercal (BRV food markets), there are no misiones, if on December 3 we do not achieve the victory of 10 million votes," a reference to President Hugo Chavez' re-election campaign. In addition to the Caracas march, UNT reportedly staged marches in several other states.

Opposition March: No One Home

¶3. (C) The CTV's march was much smaller, drawing perhaps fewer than 5,000 workers, according to one contact. Marchers carried a potpourri of signs, some hand-lettered, that spilled broadly into political, social, and human rights issues. Most noticeable were posters denouncing the imprisonment of CTV President Carlos Ortega, who is currently serving a 16-year sentence for leading the 2002-2003 national strike. CTV Secretary General Manuel Cova announced plans for elections in July for the labor central's executive committee, adding that the imprisoned Ortega may be included in the electoral process as a sign of solidarity. CTV leaders decried the BRV's unilateral changes to the labor regime and called on the government to return to the

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tripartite negotiating process with labor and employers. Antonio Suarez, leader of the CTV's public worker federation, told Poloff May 2 that the march had intended to end at the National Assembly, where the CTV executive committee had hoped to deliver a list of worker demands to deputies. The committee turned back, however, when no deputies of the all pro-Chavez Assembly came out to receive the document.

King's Favor: Chavez Raises Minimum Wage

¶4. (U) Meanwhile, Chavez held a separate event in which he bestowed "Labor of Merit" awards on 151 hand-picked workers. He also announced (by way of decree) the traditional May 1 increase in the minimum wage by 10 percent to US\$238 (512,325 Bolivares), effective September 1. (This follows a 15-percent increase February 1. Official inflation was roughly 15-percent in 2005.) Chavez added that teachers would receive a 40-percent increase in stages, with an immediate 30-percent ramp-up followed by a 10-percent increase in October. Chavez also decreed a new "labor solvency" regimen would be effective immediately. The new program, passed by decree some months ago but slow to implement, requires companies to register with the Ministry of Labor and prove monthly that all due benefits had been paid to workers; companies in non-compliance will be excluded from government contracts and bid processes. Chavez also announced pensions would be paid for retired workers of the social security system. (Note: On the same day, the labor think tank CENDA announced that the cost of the basic food basket was 645,606 Bolivares, well over of the minimum wage.)

Comment

¶5. (C) May 1 was a day of labor theater. The UNT's disparate and quarreling factions were drawn together by BRV funds and

resources to march in support of a modest pay raise, hardly the action of a supposedly autonomous labor movement. The CTV's meager march belied its waning influence in the labor field and, in the end, was ignored by the BRV. Meanwhile, Chavez unveiled benefits that had not been consulted with either labor confederation. The announced benefits were selective -- minimum wage, for example, covers only the roughly 40 percent of workers in the formal sector -- and do not take into account a host of other worker issues such as health care and housing. This is another clear example of Chavez' disdain for organized labor, and more generally for any group that might interpose itself between the maximum leader and his base support.

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